Aligning Money and Values

Alameda County Climate Action: Investigating Investment Impact

One of the measures recommended in the Board-adopted Climate Action Plan for Government Services and Operations directs the County to review its investments in fossil fuel companies. I took on the challenge of investigating how much of the County’s pension fund is invested in fossil fuel companies.

The State of California has divested from non-domestic thermal coal holdings, and the City of New York has created a task force to identify and divest from $5 billion of holdings in all fossil fuel extraction companies.

While the Alameda County Employees’ Retirement Association (ACERA) has a history of banning investments in tobacco companies, its investment committee has only recently started to explore environmental investing criteria. This, combined with the fact that ACERA has received national recognition for its financial prudence, created an opportunity for a fossil fuel equity analysis to inform the committee.

Designing a Process to Assess Fossil Fuel Equity in Pension Investment Portfolio

In order to make a recommendation to ACERA’s Board of Trustees regarding how to shift away from fossil fuel holdings and towards investment in emerging renewable energy and sustainability companies, we needed to know how much of ACERA’s portfolio included fossil fuel company equity. This diagram shows the development process behind the assessment.

As of December 2017, 4% of ACERA’s individual equity holdings, $200M, were invested in fossil fuel company stocks. This means ACERA owned 13.5 metric tons CO₂e in fossil fuel reserves.

Open Source, Self-Service Assessment

After managing UC Berkeley’s The Green Initiative Fund and consulting on contractual hospital revenue risk, I decided to join Climate Corps to marry my passion for environmental justice and my skillset in quantitative analysis. I will be pursuing a Masters in Data Science at UC Berkeley to continue working at this intersection.

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